

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

August 4, 2003  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, Lee<sup>1</sup>, Mosher and Noble

ABSENT: None.

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 30 minutes to discuss one item of pending litigation and one item of property acquisition.

The Study Session resumed at 6:25 p.m. with Mayor Marshall presiding.

2. Study Session

(a) Solid Waste Collection Contract Negotiations

City Manager Steve Sarkozy recalled previous discussions with Council regarding the new solid waste collection contract. On June 23, Council directed staff to request that the two bidders submit clarification and additional information regarding new services and their offers to the City.

Damon Diessner, Utilities Assistant Director, said Council direction is requested tonight to authorize staff to begin contract negotiations for the solid waste collection contract. He reviewed the new services to be added: 1) commercial recycling, 2) single-family weekly yard debris collection, 3) single-family food waste recycling, and 4) City public works solid waste and City vegetation debris recycling. Solid waste collection costs for 2003 are \$14.33 million. The two current proposals reflect a cost decrease as follows: Rabanco, \$13.13 million per year and Waste Management, \$12.60 million per year.

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<sup>1</sup> Mr. Lee arrived at 6:06 p.m.

Responding to Mr. Lee, Mr. Diessner said Rabanco's original bid was \$16.19 million and Waste Management's bid was \$15.74 million.

Mr. Noble noted that Waste Management's representative previously indicated their bid was their best and final offer. Mr. Diessner explained that Waste Management reviewed and corrected (lowered) the disposal cost component of its bid, which represents the major portion of the cost reduction.

Mr. Diessner responded to additional brief questions of clarification.

- ➡ Dr. Davidson moved to direct staff to begin contract negotiations with Rabanco, and Mrs. Marshall seconded the motion.

Dr. Davidson said he is pleased with the service provided by the current contractor. Responding to Dr. Davidson, Mr. Diessner said the City's business relationship with Rabanco likely began prior to the City's incorporation in 1953.

Mr. Noble feels further negotiations could result in additional cost savings.

Mr. Creighton noted the benefit of dealing with a known entity versus the cost difference of \$500,000 annually between the two contractors. He feels service quality is as important as price, however. He suggested proceeding with negotiations with both parties.

- ➡ As a substitute motion, Mr. Creighton moved to direct staff to begin contract negotiations with both Rabanco and Waste Management. Mr. Mosher seconded the motion.

Mr. Lee expressed support for the substitute motion.

Deputy Mayor Degginger feels City residents have been pleased with Rabanco's service over the years. He is reluctant to change unless significant differences arise during negotiations with both providers.

Mayor Marshall reviewed the benefits of the City's 50-year history with Rabanco, which has received very few customer complaints over the years. Rabanco's drivers are familiar with Bellevue routes and the special service needs of its customers. She values this loyalty and prefers to initiate negotiations with Rabanco.

- ➡ The substitute motion to direct staff to begin contract negotiations with both Rabanco and Waste Management carried by a vote of 4-3, with Mayor Marshall, Dr. Davidson, and Mr. Noble dissenting.

(b) Quarterly Budget Monitoring Update

Mr. Sarkozy opened staff's presentation of the mid-year financial update for the City. Finance Director Jan Hawn introduced Jonathan Swift, Budget Manager, and Joe Guinasso, Assistant Finance Director, to provide the report.

Mr. Swift reported that economic recovery continues to be slow and uneven, with the regional economy lagging behind the nation. Personal income and employment are expected to increase modestly in 2003. One positive indicator is the office vacancy rate in downtown Bellevue, which decreased from 26 percent to 21 percent during the past quarter. Large commercial transactions have increased during the past quarter as well.

Turning to second quarter General Fund performance, Mr. Swift reported decreased tax revenues during this time period. However, refunds totaling approximately \$800,000 are due later this year for both sales taxes and business and occupation (B&O) taxes. Retail trade and services are experiencing growth. In terms of expenditures, City departments have been cautious with spending and hiring and will continue to monitor expenditures closely.

Reporting on Utility Funds, Ms. Hawn said storm and surface water revenues are in line with budget estimates. However, water and sewer revenues are anticipated to be under budget. Year-end expenditures are expected to be \$2.8 million under budget.

Ms. Hawn said unemployment compensation revenues are anticipated to be on target at year-end. However, expenditures are expected to be \$223,000 over budget due to layoffs in the Department of Planning and Community Development. Staff will return to Council with a recommended corrective action during the mid-biennium update this fall.

Mr. Guinasso explained that overall Capital Investment Program (CIP) fund projections are essentially in line with the budget. Revenue collections are expected to be approximately six percent above budget estimates, and expenditures are anticipated to be 83 percent of the available budget. Mr. Guinasso described the need for interim cash flow borrowing due to the level of CIP expenditures at this point. Staff is authorized to borrow internally for three months while a line of credit is established with a bank to finance the remainder of the CIP Plan.

Mayor Marshall commended staff for accelerating the initiation and completion of CIP projects. She noted current road projects and park acquisitions that will benefit citizens.

Mr. Mosher feels this is a good time for public projects due to favorable construction costs. He supports the current efforts and the line of credit at a time when financing terms are favorable as well.

Mr. Guinasso said the 2003-2009 CIP Plan will be amended to include the cost of borrowing funds. Approximately \$4 million will be borrowed over the seven-year plan. As part of the mid-biennium update, staff will present recommendations regarding projects to be delayed, deferred, or modified to repay the borrowing costs.

Mayor Marshall noted Council's commitment to completing projects now when construction costs are the lowest they have been for some time.

Ms. Hawn summarized the discussion and emphasized that staff will continue to monitor revenues and expenditures on an ongoing basis. Staff responded to brief questions of clarification. Mayor Marshall thanked staff for the report.

(c) Study Results on Wilburton/NE 8<sup>th</sup> Street Corridor Study

Planning Director Dan Stroh commented on the purpose of the Wilburton/NE 8<sup>th</sup> Street Corridor Study to encourage redevelopment and investment in the area.

Steve Cohn, Associate Planner, reviewed the study's objectives to: 1) encourage economic vitality and redevelopment, 2) strengthen auto retail use, 3) reinforce hospital and complementary uses, 4) improve urban design and strengthen the area's identity, and 5) provide additional direction for GC (General Commercial) uses citywide. He explained that the area has been divided into four sections for study purposes as follows: 1) Auto Row quadrant, 2) Overlake Hospital quadrant, 3) NE 8<sup>th</sup>/Lake Bellevue quadrant, and 4) NE 8<sup>th</sup>/retail quadrant. A number of focus group meetings and open houses were held to help develop initial land use alternatives. A fatal flaws analysis of the alternatives resulted in the current approach to refine land use, urban design, and transportation systems rather than pursue a wholesale change in the area's uses.

Mr. Cohn said a number of alternatives were subjected to a transportation analysis. The analysis indicates that medium or high growth scenarios cause increased traffic in the Downtown, Northeast Bellevue, East Bellevue, Overlake, and Factoria mobility management areas (MMAs). Based on this analysis, staff decided to focus on land use concepts, amenities, and transportation.

Mr. Cohn described the retail village concept, referencing University Village in Seattle, which started as a collection of businesses sharing a parking lot. It was redeveloped to create interior walkways, parking, interior streets, and pedestrian amenities. Mr. Cohn displayed a potential retail village plan for the area between Home Depot and NE 8<sup>th</sup> Street along 120<sup>th</sup> Avenue NE incorporating interior streets, common structured parking, landscaping, pedestrian amenities, and mixed use development.

Mr. Cohn reviewed a potential design for Auto Row (116<sup>th</sup> Avenue NE) which includes new sign treatments, auto retail frontage, service functions at the rear, and a common alley and storage facility. He displayed and described a plan for open space and amenities throughout the Wilburton corridor incorporating trails, public art, gateway/landmark features, an open space at the east entry to the retail village, and pedestrian amenities.

Mr. Cohn reviewed the transportation component of the Wilburton Study comprised of the following features:

- Enhanced transit access in the hospital district,
- Extension of NE 10<sup>th</sup> Street from I-405 to 116<sup>th</sup> Avenue (as suggested in the Downtown Implementation Plan),
- Potential new access to parking garage for auto retail,
- Extension of NE 2<sup>nd</sup> from I-405 to 116<sup>th</sup> Avenue (Downtown Implementation Plan),
- Potential improvements to NE 8<sup>th</sup> Street and 120<sup>th</sup> Avenue intersection,
- Pedestrian improvements on NE 8<sup>th</sup> Street,
- Potential new internal streets and alleys for access and internal circulation, and
- Pedestrian-friendly street improvements on 120<sup>th</sup> Avenue.

Mr. Cohn said staff will continue to work with the public, Overlake Hospital, and businesses to develop design strategies. Staff will return to update Council in the fall.

Responding to Councilmember Mosher, Mr. Cohn said the retail village concept has a relatively neutral impact on traffic generation, depending on the number of residential units to be added.

Dr. Davidson commented that increased economic activity is likely to increase traffic in transportation modeling. However, he does not want that to prevent redevelopment throughout the community.

Mr. Lee questioned what existing neighborhoods are to be served by the retail village. He asked how plans for the Wilburton area relate to neighborhood revitalization and redevelopment initiatives in other parts of the city. Mr. Cohn said Wilburton residents have been requesting businesses and services such as a bank, drug store, barber shop/salon, and others for many years. A market analysis indicates the area can support additional retail development.

Mayor Marshall expressed a preference for Alternative 3 as depicted in the handouts and Council packet (Page SS 2-24). She supports the extension of NE 10<sup>th</sup> Street and the proposed road between auto uses. She encouraged a greater emphasis on alternative forms of transportation, including buses or rapid transit, in the plan. Mr. Cohn confirmed staff's interest in implementing a design that will not preclude future transportation options. Mayor Marshall commended staff members for their work with the Wilburton Community Association.

Mr. Mosher expressed support for the plan, noting that this type of planning makes a big difference in terms of the kind of community that has been created in Bellevue. Deputy Mayor Degginger concurred and acknowledged the challenge of creating a viable community integrating all of the different types of uses found in the Wilburton corridor.

Responding to Mr. Noble, Mr. Cohn said road improvements are necessary to accommodate land use changes within the corridor.

At 7:58 p.m., Mayor Marshall declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

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